HUMAN EVENTS

Vol. XVI, No. 30 Wednesday, July 29, 1959 Washington, D. C.

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News Section

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Nixon's New Strategy: Nixon's trip to Russia is but part of a secret personal strategy to ensure him the GOP nomination. Obviously, the trip is designed to build him up as a world figure who broadcasts the Eisenhower-Dulles policy. But the V.P.'s ultra-secret design—observers have reason to believe—is to make himself so integral a part of Ike's policy that the President will, very privately but with decisive effectiveness, indicate that Nixon should have the nomination without opposition.

Ike may have more than a notion that he could play the elder statesman after a Nixon victory. Rumors around town say that the Eisenhowers want to line up a Washington apartment which they would occupy (with weekends at nearby Gettysburg) after the next inauguration.

Steel Strike: Within the Eisenhower Administration, not a few cards are stacked against the steel firms in the strike struggle. Joseph F. Finnegan, head of the supposedly unbiased Federal Mediation and Conciliation Service, early in the strike moved in to attempt to bring the two sides together and mediate. The slant of Finnegan is seen in his response to a newsman's question (an answer largely unreported by the press), asking what Finnegan thought of the full page advertisement by the Joint Committee of Steel Firms, a dignified and factual statement of the issues. Finnegan replied (according to Mutual Broadcasting System commentator Charles Warren on July 20):

"That stuff is the same old bunk. It's a rehash of the same old mishmash."

Vice Presidential Bid: Secretary of Labor James P. Mitchell appointed himself a "fact-finder" on the steel strike last week. Mitchell hopes to save the neck of Steelworkers' boss McDonald in his desperate attempt to win the strike settlement. Mitchell staved off trouble for McDonald late in June by inspiring a letter from Ike to McDonald which enabled the latter to announce a "face-saving" two-week delay in calling the strike. Some similar effort was made on the eve of the strike call, but failed because the President would not fall in with it. Now Mitchell charges in as a self-appointed "fact-finder" to give the President the "facts." Long known as an intimate friend of the labor bosses, Mitchell and his actions bode no good for the steel companies.

But his new role could make Mitchell a well-publicized national figure. Mitchell's ambition, it is known, is to get the No. 2 spot on the GOP ticket next year. A Catholic and a resident of New Jersey, he hopes to fit in as Vice Presidential candidate—with Nixon as the No. 1 candidate.

Storm Signals: Chances for the GOP to win the Presidency and the House of Representatives brighten every week that Congress sits (and Lyndon Johnson's "won't do" policies prevail). Polls giving negative pictures of the GOP popularity are largely discounted by Washington observers. "Too early" and "not thorough enough," they remark.

However, one black cloud gathers on the horizon. The comment is heard among some Republicans: "The Cuban situation could blow the GOP out of office." And they add: "When the people realize that the State Department's mishandling has allowed establishment of a Soviet republic 90 miles off the Florida coast, there will be Hades to pay."

Certainly, some utterances of ex-diplomats in closed-door committee rooms do not provide reassurance about keeping the Caribbean area in the anti-Communist line-up. These former US envoys warn that, unless we immediately get behind our friends in the Caribbean with money and arms to get rid of the Castro regime, sooner or later we'll have to go in with the marines. And that, while militarily a small job, would adversely affect our relations with all of Latin America for generations to come.

Word comes to HUMAN EVENTS *that the Soviet Union has sent a message to Castro offering to buy the whole Cuban sugar crop, paying for it with gold certificates. The latter would be cashable in gold three months after delivery of the sugar.*

Meanwhile, Soviet Russian officers have been surveying missile launching sites in Western Cuba. The Soviet build-up in Cuba increases week by week.

Rockefeller: The New York Governor's *Meet the Press* television interview contained one gaping hole, which did not go unnoticed by viewers in the Nation's Capital. Not one question was asked of Rockefeller—amidst many on the matter of his fiscal policy—about why he increased the New York budget. In budget-conscious Washington, people still want to know why the Governor increased the budget some $241 million or 15 per cent over last year's budget.

Much was said about Rocky's obvious pretensions to the Republican nomination. But no interviewer took the

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trouble to note his departure from the Republican Administration's policies. Thus, when asked if inflation is the "great issue of our national life," the pretender to the Republican Presidential nomination drew away from Ike's policy and replied: "I'm not sure. I think that is certainly an integral part of a total issue. I think the economic growth of our country and the adequacy of job opportunities . . . are the root, really." And how much such "growth"? The Governor referred to the Rockefeller Report which, he said, "recommended an increase from four per cent growth rate to five per cent growth rate." The terminology and the percentage are almost precisely the same as those advocated by Leon Keyserling, chief economist for the Democratic party. Thus Rockefeller's New Deal profile continues to emerge.

Labor Bill: The Senate "sweetheart" labor bill has been so diluted by the House Labor Committee that it is now called "the sweetest story ever told."

Out of a few more than 100 House changes in the Senate Kennedy-Ervin bill, nearly 50 (about half) were minor or purely technical. Of the remaining 50, 25 seriously weaken the already weak Kennedy-Ervin bill. Thus, the labor lobby did not shirk its duties and a sufficient number of House committee members presumably listened to their benefactors who helped them get elected.

Some highlights of the tremendous debacle are as follows:

The House group made secondary boycotts legal in the building construction industry, thus overruling Supreme Court decisions.

The "hot cargo" clause has been so watered down and has become so ambiguous that it is now regarded as virtually worthless as a reform.

In the House version, union officials prosecuted for violation of the law can have their defense costs paid by the union. In other words, an official indicted for robbing his union's treasury could then use his victims' money to pay for his defense.

Small unions (covered by the Senate bill) are exempted from certain reforms by the House bill—some of the worst cases of corruption (see the Dio case in HUMAN EVENTS for July 27 and August 10, 1957) have been among small unions.

Bohlen: Whatever the true status of Ambassador Bohlen—whether he is in line for a top State Department advisory job or not—certain ideas are gaining no little currency on both sides of Capitol Hill, in the Senate and the House.

True, Ike seemed to brush off Bohlen as an appointee to such a position in his press conference of July 15. On the other hand, some sort of hugger-mugger in the White House ensued, when a personal Presidential letter (contents not disclosed) was sent to Manila where Bohlen is Ambassador; meanwhile the White House Press Secretary issued an equivocal statement. The President did not clear up the matter at his last press conference.

Many Senators now believe (and some heard it from the dead Secretary's mouth) that Dulles found Bohlen "inadequate" (to put it mildly) as Ambassador to Russia and had him transferred to the Philippines. Some of the Senators who did talk to Dulles about Bohlen may speak up publicly ere long.

Meanwhile, the press begins to leak out some of this picture. A Washington correspondent of the *Christian Science Monitor*, a newspaper never known as a critic of Bohlen, said on July 13 that "Mr. Dulles would never have either proposed or approved" of giving Bohlen a position as special adviser on Russian affairs. The *Monitor* correspondent says that "Dulles considered himself quite as much if not more of a Soviet authority as Mr. Bohlen" and intimates that Dulles "had relegated [Bohlen] to the provinces as it were." The correspondent also reports that President Eisenhower "agreed with his Secretary of State, Mr. Dulles, that Mr. Bohlen should be shifted to the Philippines from Moscow."

The New York *Daily News* acidly proposes that Bohlen "should be permitted to resign . . . and go into private business to make financial provision for his old age. He has been reported threatening to do that unless he is given a big Washington job where he will have a hand in making US policy toward Soviet Russia."

Behind Humphrey: Professor Arthur Schlesinger, Jr. of Harvard has not openly declared his support of Senator Humphrey for the Democratic Presidential nomination; but his most recent outburst is interpreted to mean the same thing. Schlesinger, brain truster for Adlai Stevenson in his campaigns and chief theoretician for the socialistic Americans for Democratic Action, has circulated a confidential 23-page paper among prominent Democrats, winding up with a warning: "Watch out for Nelson Rockefeller." In it, the professor warns the Democrats that Republican Governor Rockefeller might ride into the White House on what Schlesinger calls the surging tide of a new social order that could dominate the next decade.

The professor slings about various egghead phrases such as "the challenge of the sixties" and the need for "intelligence and imagination" among Democrats, and he calls for "new creativity" among the remnants of the old New Deal elements. He dismisses Nixon and "the old Republican party" as unable to rise to this level. But he suggests that Nelson Rockefeller might lead the Left Wing into office and a new political era.

This dismissal of Nixon by a Democratic intellectual is a repetition of the same old game of the Democratic strategists of dismissing the man they fear most at the polls. This old trick has the new twist of pretending to boost a man, viz Rockefeller, whom they feel confident they can beat.

But the utterances of the professor are regarded, in Washington, as significant. It's a highbrow method of scaring the Democratic politicos into supporting Hubert Humphrey, who has not been taken too seriously as a potential convention victor over Kennedy and Lyndon Johnson. When the friends of the Minnesotan threw his "hat in the ring" ahead of the other candidates, the gesture was part of this "scare 'em" technique.

But the grand strategist behind this Humphrey drive

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is Walter Reuther, head of the United Auto Workers, "the man who has first mortgage on the Democratic party." As Washington sees it, Reuther has come to the conclusion that the Democrats might well lose the Presidency in 1960, what with the revival of prosperity and the continued rise of Nixon. Meanwhile, the big labor boss has had cause to reflect on the inadequacy of the Democratic party as now constituted; despite the victory of his Committee on Political Education (COPE) organization in electing a big Democratic majority in both houses of Congress, all the puppet members of Congress don't stay put. Some wander off with the economizers and fail to override Ike's vetoes.

Hence Reuther wants a completely dominated Democratic party. If Humphrey should be nominated and defeated in 1960, Reuther and his puppets would retain control of the Democratic party machinery and would re-build it in Reuther's image in preparation for 1964. Hence, Schlesinger's rhetoric and other signs—such as the fact that COPE, while attacking the GOP, today never mentions the Democratic party. The new design, to make the Democratic party as completely a labor party as the British Labor Party, is now under way.

Effects of the Strike: The nation-wide walkout of the United Steelworkers Union may have serious long-range repercussions for its members. The day the strike began, five Japanese and Belgian ships unloaded 22,000 tons of steel products in the port of Houston, Texas. Other vessels dumped huge cargoes of imported steel at Los Angeles.

Trade sources remark: "Temporary buyers of foreign steel today could be permanent buyers from this lower-priced market tomorrow, eventually putting thousands of US steelworkers out of jobs altogether."

Another more immediate problem facing the USW members is that of obtaining compensation during the present walkout. Steelworkers' bosses have encouraged the rank and file to obtain all the state jobless benefits possible during the crisis. This is a simple matter in Ohio where Governor Michael V. DiSalle's Democratic administration recently eased the way for such action by adopting a measure that permits striking workers to draw unemployment compensation from both the union and the state at the same time.

In the State of Indiana, however, strikers are finding an entirely different picture. Governor Harold W. Handley announced last week that the steelworkers will not be allowed to dissipate township poor relief funds in his state.

"A man is not destitute when a union with millions in its treasury is ready and willing to help him," Handley said. "If the law is relaxed for strikers, the inevitable result will be to dissipate all the poor relief funds and foist the burden on the taxpayers."

Capitol Camera: Senator John F. Kennedy's hopes for the Democratic Presidential nomination in 1960 are being severely jolted by the persistent report that Democratic Senator Frank J. Lausche will enter the Ohio primary as a "favorite son" candidate. Kennedy has been hoping to capture Ohio's large block of 66 convention votes since a recent poll, conducted at his direction, showed the Massachusetts Senator to be outrunning Governor DiSalle, who wants to play the role of Ohio's "favorite son."

The major cause for alarm by Kennedy now, however, is the fact that his own poll also reveals that both he and DiSalle are trailing far behind Lausche as the "people's choice" in the Buckeye State.

Lausche has been telling his friends that the next President must be a hard-headed executive who can put the Nation's fiscal house in order. The voice of this independent Democrat will be raised at the Democratic convention.

● A refreshing attitude toward Federal aid has been manifested by Flying Tiger airline, in a statement filed with the Civil Aeronautics Board.

The Tigers, who first won acclaim with their thrilling maneuvers in support of Chiang Kai-Shek during World War II, oppose the request of other airfreight carriers, who have asked for subsidies to make ends meet. The Tigers point out that they have developed their own airfreight operation into a profitable enterprise without subsidy, which should indicate that other carriers can do likewise. The line also demonstrates its faith in free enterprise:

"At the present time the Flying Tiger Line is facing strenuous competition from trunk-line carriers, none of whom are currently receiving subsidy from the CAB. It is content to meet all the competition these non-subsidized carriers can offer . . . .

"The Flying Tiger Line therefore reiterates—'No Subsidy Now.'"

● *Walter Reuther's face is still red over the complete flop of a recent "Reuther for President" rally staged in Newark, New Jersey. When only 25 persons showed up, at $1 a head, the labor boss reportedly called for an investigation by subordinates to determine if there had been a deliberate attempt made to embarrass him.*

Education: Potential recipients of Federal aid to education continue to show better judgment on the subject than many of Washington's left-wing legislators who are willing to dish it out at the drop of a hat. Latest to join the growing parade of Federal aid rejecters (see HUMAN EVENTS for June 3 and June 24, 1959) is Brigham Young University in Provo, Utah.

This Mormon school announced last week that it is turning down the Federal-loan provisions offered under the National Defense Education Act. President Ernest L. Wilkinson said that Brigham Young's board of trustees does not favor dependence upon the Government for this purpose.

Under the Government program, a student may borrow up to $1,000 a year and pay it back at a rate of three per cent interest over a ten-year period immediately following graduation. If the student becomes a teacher, half of his debt to the Government is canceled.

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At the same time as it rejected Federal aid, Brigham Young announced that it is initiating a student-loan program of its own; a student may borrow $300 as a freshman, $400 as a sophomore and $500 in junior, senior and post graduate years. Repayment will be made at three per cent interest, but none of the indebtedness is subject to cancellation.

President Wilkinson sees nothing unusual about rejecting Federal aid. "Before the Federal Government got into this business," he said, "many foundations, universities and churches throughout the country worked out a reasonable and efficient loan system with financial institutions on a commercial basis."

World Court: The Texas Bar Association won't buy a surprising bit of one worldism recently exhibited by the governing board of its parent organization, the American Bar Association. The ABA leaders endorsed a resolution now before the US Senate that would remove the one existing safeguard against interference by the World Court in the domestic affairs of the United States.

The resolution (S. Res. 94, introduced by "liberal" Hubert Humphrey of Minnesota) calls for the elimination of a reservation insisted upon by the US when it agreed to accept World Court jurisdiction in 1946. At that time the US steadfastly retained the right to determine unilaterally whether subject matter of dispute was within domestic jurisdiction. Humphrey's resolution would nullify that part of the agreement and allow such decisions to rest with the 15-member world organization in which this country has just one voice.

The Texas Bar Association, at its recent annual convention in Dallas, adopted a resolution strongly opposing the Humphrey proposal on the grounds that it would seriously impair the sovereignty of this country and vest in a foreign tribunal the power to amend the Constitution of the United States.

Rovere on McCarthy: The new book *Senator Joe McCarthy,* by Richard H. Rovere, is reviewed below by Willard Edwards of the *Chicago Tribune's* Washington bureau. For many years Edwards has been assigned by the *Tribune* to cover the US Senate. He was a daily observer at nearly all of the McCarthy hearings. Edwards rates high among his colleagues as an accurate interpreter of events as they unfold in the Nation's Capital.

A sense of unreality—a feeling of intrusion into the dream world of science fiction—overcomes the reader in the early pages of this curious volume. He learns that a whimpering Nation cowered in terror before a fearsome monster during the first four years of this decade. This "prince of hatred" frightened two Presidents and made himself chief of staff of the Army and Secretary of State. Abroad, he was regarded as America's Hitler. He mustered a large and dedicated following composed of "zanies and zombies and compulsive haters," religious fanatics, Fascists, political cynics, and a few who thought he was telling the truth.

The Nation was saved from disaster only because this "demon," crushed by a lack of faith in the "sacredness" of his mission, drank himself to death.

Future generations may shudder at this picture, but the citizen who lived through the early 1950's unaware of his peril will hastily consult the book jacket, seeking clarification. There he will find assurance that this is not fantasy, but political history, both a "biography and memoir," and a portrait of the American scene when the late Senator Joseph R. McCarthy of Wisconsin was waging war against communism in the Government.

This claim, to state the case simply, is nonsense. This reporter, who can claim some familiarity with the period involved, has never found more misinformation packed between the two covers of a book. The pages breathe a fine fury, but bear no evidence that the author ever indulged in the slightest effort at research or checking of the records. The result is a morass of inaccuracy.

The complaint against this book-length harangue is not so much its vulgarity and bias as its carelessness with facts. Little evidence is presented to support many of its conclusions, and the open record is ignored when it interferes with a favored theory. The urgent need for a fair and impartial examination, based upon painstaking research of the McCarthy era, was never more glaringly apparent.

Richard H. Rovere is known to the Washington press corps as a New York magazine writer of considerable talent who spends most of his time, on visits to the capital, as an eager listener to the always stimulating, and sometimes scandalous, chitchat at the National Press Club bar. This has enabled him to round up, and furnish with the respectability of the printed word, all the whispered rumors and ugly innuendoes which circulate in Washington about any public figure and which swarmed around McCarthy when he was at the height of his activity. These are reproduced with a bland admission that there are no data to support them.

The book has some value as an illustration of the bitter and lasting hatreds aroused by McCarthy—hatreds not dissipated by his death. Almost hysterical invective tinges the entire book. Rovere calls the Senator a "screamer," "political thug," "master of the mob," "demon," "rattlesnake," "bum," "mucker," "guttersnipe," "foul-mouthed," "faker," and "seditionist." There are such frenzied outbursts as the following:

"He [McCarthy] lied with wild abandon; he lied without evidence of fear; he lied in his teeth and in the teeth of truth; he lied vividly and with a bold imagination; he lied, often, with very little pretense to be telling the truth."

Rovere finds it unnecessary to support this accusation with specific examples of false statements. He dismisses the 2,500 pages of testimony before the Tydings committee with a breezy conclusion that they showed "McCarthy had little of importance to say." In a discussion of the Owen Lattimore case, he ignores completely the verdict of the Senate Internal Security Committee that Lattimore was "a conscious, articulate agent of the Soviet conspiracy."

He brushes off the Fort Monmouth hearings as a tragic miscarriage of justice, disregarding the Army's subsequent dismissal of many security risks from that installation and testimony from a defector that Russian scientists were in possession of secret documents from the Monmouth laboratories.

These omissions are coupled with flat misstatements of fact. Rovere provides an erroneous version of how McCarthy assembled the material for his first speech on communism at Wheeling, West Virginia, in 1950. He errs in an account of the assembling of charges against General George C. Marshall. He attributes to Senator Robert A. Taft of Ohio (who is also dead and cannot answer) statements incredible to those who knew Taft. His list of "big money" contributors to McCarthy is wrong.

DANIEL C. GAINEY, Industrialist, and member of the 44-man Republican policy committee, Owatonna, Minn.: "I think the material contained in HUMAN EVENTS is invaluable. The daily tons of selfish and frequently left-wing propaganda confuse and frustrate the American mind. The individual American citizen can learn the truth concerning the important daily dangers to American survival by reading HUMAN EVENTS."

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Vol. XVI, No. 30 HUMAN EVENTS July 29, 1959
Article Section I

The 'Economizing' Senator Douglas

He Pinches Pennies While Blowing Billions

By GEORGE MORGENSTERN

WHEN GOVERNOR EARL LONG of Louisiana starts howling and mewling in public, he is promptly shipped off to a mental institution, whereas when Senator Paul H. Douglas (D.-Ill.) does the same he is accorded sympathetic tribute in every "liberal" organ in the country. Some may think this decidedly unfair.

Senator Douglas has perpetrated two celebrated spasms. One was on the floor of the Senate, September 17, 1951, when he was appearing in the periodically useful role of a champion of economy. Senator Joseph C. O'Mahoney (D.-Wyo.) said something unkind, and a contemporary press account states that "a wave of hysteria" overcame the Hon. Paul. He retreated toward the cloakroom, but, three-quarters of the way up the aisle, Douglas "reared his head back, and out of his throat came a loud, high-pitched scream." Then he made it through the door, collapsed on a sofa, and abandoned himself to tears and spasmodic sobs.

Some of the New Deal journalists in Washington had polled themselves about this time and decided that Douglas was the No. 1 Senator. (A fellow named Taft got slight consideration.) But the outburst in the Senate occasioned some doubt lest old No. 1 might prove to have sensibilities too tender to stand the gaff in the White House. Probably the clincher came at the Democratic National Convention in Chicago the following year, when Douglas, "enlisted for the duration" in support of the improbable Kefauver, grabbed a handful of microphone and shrieked like a banshee while a nation-wide television audience goggled at the spectacle.

And yet, this evident instability has seemingly failed to impair Senator Douglas' career. He is simply credited with having a sweet streak which leaves him ill attuned to the rough life of politics. "Gentle" is the adjective most frequently applied, and it is customary to make a good deal of allowance for the fact that the Senator, though a champion of conscription and a militant, is a Quaker. Other Quakers do not fare so well. Vice President Richard M. Nixon was recently described by the Democratic Advisory Committee as "this sullied creature."

Indeed, Senator Douglas is one of the public relations miracles of the age. Nobody has been more consistently inconsistent than he, and none has been on so many sides of every conceivable subject.

ONCE HE WAS A PACIFIST who vowed to go to jail rather than fight. But the late Illinois Republican C. Wayland Brooks built a record of battlefield valor as a marine into a senatorship, and Douglas, having unavailingly sought that seat in the Democratic primary of 1942, enlisted at the age of 50 in the marines the day after his defeat. No commission for him—just simple Private Douglas—but a little while later letters recommending a commission for him began to filter into the files at headquarters. Among the sponsors of this Democrat, who had done a spell as a Chicago alderman, was Frank Knox. A former publisher of the *Chicago Daily News,* Knox was the Republican Vice Presidential candidate in 1936. He had been named Secretary of the Navy under Franklin D. Roosevelt in 1940 and was in that post in 1942; the Marine Corps is under the Secretary of the Navy. With his war record, Douglas, the marine (and Quaker), was able to win the Senate seat in 1948 from Brooks, his fellow marine.

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These anomalies are less peculiar than the fact that Douglas is accepted as a Democrat. In 1932, when he was 40 years old and presumably intellectually mature, if he was ever going to be, he wrote a book called *The Coming of a New Party*. Douglas credited the Republican party with having "a real place and a definite function to perform" representing "conservative elements and the propertied class." But he said that there was "no logical place in American life for the Democratic party." The Chicago Democracy, in his opinion, was "a hopeless affair."

"The Democratic party," wrote Douglas, "has no real coherence and a real political realignment cannot be obtained so long as it is permitted to cumber the ground. The process of decay has gone so far in most states that it is no longer in the way of a real party of the people. Elsewhere, it can largely be broken up by determined effort."

Douglas' new party was not to be called Socialist, but only for the reason that an "unreasoning prejudice" attached to the word in the minds of a large number of people. Farmer-Labor would be a more tactful designation, but "much greater social ownership and control of industry" should be guiding ideas. A "planned economy" was to be pursued against the die-hard opposition of the "capitalists" and even burial was to be socialized. The Government was "to inject the needed monetary purchasing power" into the consuming public, and balanced Budgets were a fetish to be disregarded.

So not too many years later we find the Hon. Paul, with the support of the corrupt "Chicago Democracy," holding aloft the banner of the "illogical" Democratic party and preaching balanced Budgets and "economy." One wonders whether, as he has sometimes said, he changed his mind, or whether the Democratic party didn't gravitate over to his kind of socialism.

SENATOR DOUGLAS never lets anyone forget that, for years, he was an economist at the University of Chicago. People are willing to credit him with better economic sense than he usually makes. His struggles in Washington to save a dime while blowing a billion have been heroic and have earned him vast yardage in the public prints. It is difficult to recall any spending skirmish he ever won, but he has inveighed against everything from free haircuts for Senators to limousines for bureaucrats, meanwhile proving a soft touch for all social welfare, public housing, and foreign aid schemes that pile up the annual deficits. He has written a book on economy in the Government, but his contribution at the present session is to load upon the taxpayers a "depressed areas" bill to crystallize stagnation at a cost of $389 million.

You can't beat nothing with nothing, and the Republicans of Illinois are in a bad way as Senator Douglas comes up for a third term in 1960. Representative Marguerite Stitt Church could turn the trick if she could be induced to abandon her safe suburban district on the lake shore north of Chicago. She really believes in economy and never screams.

George Morgenstern is the author of *Pearl Harbor—The Story of the Secret War* (Devin-Adair, 1947). His last article contribution to HUMAN EVENTS was "Pearl Harbor," December 3, 1955.

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Vol. XVI, No. 30 HUMAN EVENTS July 29, 1959

Article Section II

Minimum Wage Hurts Workers

It Removes Jobs from Those Least Skilled

LABOR HURTS ITSELF by pressing for increases in the minimum wage. That's the opinion of Lawrence C. Lockley, Dean of the School of Commerce of the University of California.

Dean Lockley takes the position that unrealistic wage pressure by organized labor causes some trades and crafts to price themselves out of the market. He was one of the witnesses who spoke against an increase in the minimum wage when that issue arose recently in California's legislature.

In the following interview, he explains his reasons for so strongly opposing the minimum wage concept:

Dean Lockley, why do you oppose an increase in the minimum wage?

There are several reasons why I oppose not only an increase but the whole concept of the minimum wage. In the first place, a minimum wage of any size will eliminate the lowest grade of workers. When they are sifted out because they can't earn a minimum wage, there appears to be no place for them to go.

In the second place, the minimum wage inevitably adds price rigidity and makes it more difficult for management to adjust labor application to the best advantage. Therefore, labor itself ultimately suffers.

What workers do you think would be adversely affected in the country by a higher minimum wage?

You can start with those workers whose jobs require the least training. You can even point specifically to the food industry to show how wage increases have decreased the number of people employed. We have so mechanized our grocery business that a small number of employees is able to maintain a large volume of retail sales.

Wherever you have work that is not difficult to learn, that is optional, and that consumers can do rather than hire done, you find that an increase in the minimum wage tends to decrease employment. In the barber industry price increases have brought a great increase in home haircutting. The man who has only his own hair to worry about can adjust to price increases. But if he has three or four boys to pay for also, haircuts become a substantial item in his budget.

Or take the painting field. The National Paint, Varnish & Lacquer Association has been making studies year after year of the amount of paint put on the outside and inside of dwellings. We now find that more than half the paint put on the outside of dwellings and about three quarters of the amount put on furniture and walls inside of houses is put on by other than hired painters. The rates for painting have gone up so much that people are doing their own painting.

Application of paint has shifted from the field to the factory where a great deal of prefabricated work is done. In fact, the painters' union has changed from a craft to an industrial union to compensate for that change.

Are minimum wages ever justified?

Any wage increases that come without compensating increases in productivity simply add to our inflationary tendencies. Any wage minimums are a great mistake from the standpoint of labor and the consumer.

It is easy to say that the average wage paid in a particular community for certain kinds of manufacturing will be $2 an hour, or roughly $80 a week, plus overtime. But that represents an average wage. Some are making less and others are making more. If you cut off the lower group, they are without employment. If, on the other hand, you force their wage up, you have necessitated a total realignment of the wage structure within a particular trade.

Is there too much thrust behind wage demands at this time?

There's no doubt of that. For a good while it was said that wage increases were merely a way of letting labor catch up with the accumulated gains in productivity; but, as you look over the past several years, it becomes apparent that wage increases have fed directly into price increases and into our trend in inflation.

A worker is better off with a higher standard of living that he buys with fewer dollars than with the same standard bought with more dollars.

This sounds almost self-evident. Yet there is a great deal of contention over that point before congressional committees. Many people feel that surely, if workers get more money, it must do them more good. It doesn't necessarily do them more good.

Would the same view hold for escalator clauses?

There is no way of adjusting wages to a rising

This is an abridgement of an article that appeared in *Nation's Business* magazine for June, 1959. It is used here with the permission of the publishers of that magazine.

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cost of living without adding directly to inflation. Prices go up because there is more money than there are goods and services. Adding to wages at that point means still more money without a compensating increase in the volume of goods and services. This simply makes more money on top of more money and causes a direct and immediate increase in the price level. People who get the escalator clauses are not benefited unless they are a small part of the labor force.

Millions of people who do not get them suffer because others do get them?

That's right. It's a way of bringing about a redistribution of income not based on productivity.

One of our present troubles is that a great deal of the work being done is done toward our national defense. This is necessary and I am glad we are doing it, but it causes some grave economic problems. It generates a large volume of purchasing power that flows into the market but does not generate consumer goods.

Is this imbalance serious?

It's serious and it tends to perpetuate itself. It's a built-in problem to which we will have difficulty adjusting, because the adjustment requires self-restraint by millions of people. That imposes an almost impossible educational job.

How do wage increases affect employment in industry?

The steady upward movement of wages has brought a steady decrease in employment per unit of output for American industry. You may remember that, after the strike in the automobile industry, many jobs that the strikers left never reappeared. They were filled by an increase in mechanization.

There is a limit to how far manufacturers and competition can go in raising prices. To keep prices within that limit they must resort to more mechanization.

In the long run, mechanization is going to improve our standard of living. In the short run, it's going to bring a great degree of readjustment and worker displacement.

Do we face a danger of too rapid mechanization as a result of wage pressure?

I think we do. I think we face more rapid mechanization than we can adjust to by the expansion of industry. Technically you would expect any mechanization to free workers for jobs produced by industrial expansion. If too many people are freed at one time, industry doesn't expand fast enough to mop up that little pocket of unemployment. If we develop, as we are now doing, little pockets of unemployment throughout the country, we are going to have a rather high degree of distress until expanding industry has soaked up those pockets of unemployment one by one. If this process were done more gradually, jobs would emerge about as rapidly as mechanization made people available. At least it has worked that way in the past.

Do increased minimum wages have adverse economic effects such as featherbedding?

Yes, they do. Always there is a group of workers who are marginal. If you put those workers under an increased minimum wage, it no longer pays to hire them. There's where you bring in featherbedding.

Almost all featherbedding, I believe, is the response to mechanical improvements. Theoretically, when people are forced out through mechanization they become available for other kinds of work; those who are competent workers, I am sure, do. Those who are inherently marginal may never again work and may merely swell our public assistance bill.

Is the wage-price spiral leading toward really serious trouble?

I think it is. I think we are going to find ourselves almost cut out of foreign markets if we don't find a way of utilizing our own factors of production more economically.

I hear a great deal about the need for humanitarian judgment in setting wage rates, and yet wage rates are set competitively. We don't set wage rates because we like to be kind to people. We do the best we can to build flourishing businesses with the full assurance that flourishing businesses provide attractive employment opportunities.

If we concentrate largely on increasing wage rates, then our businesses flourish less abundantly.

Is this something that the Government should step into?

No. Every time the Government intervenes we get one more rigidity added to the methods of doing business. What we need is less rigidity. Free prices in open markets constitute our best approach to maximizing our own domestic welfare.

Are you optimistic, in the long run, about the prospects for the capitalistic system?

Yes. So far as I can tell, the capitalistic system is the only one we ever had that produces abundantly and distributes to workers. The benefit of a capitalistic society is that it can both produce and distribute.

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